



August 4, 2017

**Ms. Cynthia Dunn
 California Department of Resources Recycling and Recovery (CalRecycle)
 P.O. Box 4025
 Sacramento, CA 95815**

RE: Comments regarding CalRecycle’s “Draft Screening Criteria for Determining Priority Packaging Types”

On behalf of the above listed organizations, we would like to take this opportunity to submit comments to CalRecycle’s recent “Draft Screening Criteria for Determining Priority Packaging Types” as part of the agency’s Packaging Reform Workshops. The Consumer Packaged Goods (CPG) and packaging industry, as well as our supply chain partners, support the overall intent of the agency’s efforts to ensure an effective solid waste management system in the state of California including: reducing waste to landfill, increasing recycling rates, and identifying ways to recover new or lower value materials. However, CalRecycle’s approach and the draft criteria place an undue focus on consumer products packaging, where a sustainable materials waste management strategy would be much more effective. Further, it promotes regulatory and tax structures designed to simply shift the cost of solid waste management onto the backs of California retailers, manufacturers and consumers. These criteria and the path set by CalRecycle ignore strides in packaging technology, size and volume reduction, and distribution efficiencies, which are already contributing to a more efficient solid waste management process, as well as the state’s own data which highlights priority areas of opportunity to dramatically reduce waste to landfill, such as food waste.

While the agency is attempting to meet a benchmark recycling and material-to-landfill reduction goal, those goals are arbitrary targets, not based on science and without regard for the cost to meet those goals. Policy models such as extended producer responsibility (EPR) go directly to retailers, manufacturers and consumers for a new funding model.

Efforts like sustainable materials management, which take a holistic approach to the waste stream are much more effective in meeting environmental goals, as long as the goals do not pick “winners and losers”. At the same time, sustainable materials management increases the quantity, yield rates and quality of recyclables collected and processed.

The packaging industry actively supports efforts to advance recycling best practices, consumer education, and efforts to reduce food waste, which is the single largest category of waste in U.S. landfills, and the biggest area of opportunity in California.

Role of Industry

The consumer products industry and our supply chain partners are committed to environmental stewardship and industry has invested millions of dollars and other resources into redesigned packaging, lightweight materials, and other innovations all aimed at reducing the overall environmental footprint of packaging, while still protecting the product to prevent loss and waste.

Food, beverage, and consumer products packaging is highly recyclable. Products like cereal boxes, bottles, and aluminum cans are commonly recycled items, not dangerous or difficult to recycle products like medical sharps, paint, or mattresses. There are well functioning, existing systems in place to collect, process, and recycle CPG packaging in California. Further, this packaging includes recycled content.

Industry has been working on source reduction for decades and their commitment is illustrated in a survey of a representative sample of twenty-three major consumer goods companies conducted by the Grocery Manufacturers Association (GMA). Approximately 50 percent of the companies surveyed in the GMA study reported efforts to increase use of recycled inputs in their packaging. On average, this involved a 67 percent increase in the use of recycled paper inputs and a 49 percent increase in the use of recycled plastic inputs for the projects reported.

Industry has sent clear and strong demand signals to the supply chain for more post-consumer recycled material at a reasonable cost and reliable availability to include in future packaging. Innovation and the drive to reduce packaging materials have come from industry.

Between 2005 and 2009 these twenty-three companies implemented over 180 packaging improvement initiatives with approximately 80 percent of initiatives focused on weight (source reduction). In total, these efforts produced significant impact by avoiding over 1.54 billion pounds of packaging, consisting of over 800 million pounds of plastic and over 500 million pounds of paper avoided. This concept of source reduction is completely ignored by CalRecycle in its existing criteria.

Further, California is already a top state in terms of recycling rates, aided in part by a bottle bill recycling program. For example, for the second half of 2016, over 66% of glass

containers were recycled into new products¹, with 77% of glass containers in the bottle bill program redeemed. Through participation in recycling programs, consumers understand the value and importance of recycling glass bottles and jars.

While CPG packaging is highly recyclable, more can be done to increase consumer participation in household recycling programs and industry is financially contributing to many initiatives that increase access to household recycling programs, improve recycling infrastructure, and promote best practices. The CPG industry funds initiatives like the Recycling Partnership, which provides grants and expertise to cities to educate citizens on recycling and the Closed Loop Fund, which provides zero interest loans to improve MRFs. To help address consumer confusion, many companies are piloting the “How2Recycle” label, developed by the Sustainable Packaging Consortium to give more specific guidance to consumers about which parts of their food, beverage, or consumer products packaging are recyclable in their community. These initiatives and many others are funded and supported by the packaged goods industry and supply chain partners. California can implement many of the best practices identified by these efforts and see proven results.

Lastly, consumer products packaging has declined or decreased in the U.S., despite gross domestic product (GDP) growth and the rise of online commerce.

State’s Waste Management Approach Should be Based on Accurate Data

CalRecycle’s efforts should be based on the actual make-up of the waste stream in the state and areas of real opportunity, using accurate data. CalRecycle’s primary interest, as mandated by SB 1383, should be on the reduction and recovery of organic waste. In terms of greenhouse gases, focusing efforts on organics and recycling would achieve greater GHG reductions and also create more opportunities for innovation. As stated above, packaging waste is already a high priority by industry through efforts of our own.

Organic waste, more commonly known as food waste, is the single largest category of material in the California waste stream, according to the state’s “2014 Disposal-Facility-Based Characterization of Solid Waste in California,” report, published in 2015. In fact, this category of “other organic” makes up 37.4% of the material in the state’s overall waste stream. Below is a table from the 2014 solid waste characterization study outlining the top ten most prevalent material types in the state’s overall waste stream. Note that, with the exception of some paper, consumer products packaging is not on this list.

¹ <http://www.calrecycle.ca.gov/BevContainer/Rates/BiannualRpt/6MonPeriod.htm>

Table ES-2: Ten Most Prevalent Material Types in California's Overall Disposed Waste Stream

Material	Estimated Percent	Cumulative Percent	Estimated Tons
Food	18.1%	18.1%	5,591,179
Lumber	11.9%	30.0%	3,676,710
Remainder/Composite Paper	7.5%	37.6%	2,325,048
Bulky Items	4.4%	42.0%	1,365,340
Remainder/Composite Organic	4.3%	46.3%	1,323,465
Textiles	4.0%	50.3%	1,234,711
Other Miscellaneous Paper	3.9%	54.2%	1,215,919
Leaves and Grass	3.8%	58.0%	1,172,925
Uncoated Corrugated Cardboard	3.1%	61.1%	964,942
Prunings and Trimmings	3.1%	64.3%	962,262
Total	64.3%		19,832,501

Secondly, CalRecycle is using distorted data in regards to packaging in the waste stream. To estimate packaging disposal in California, the Department's subcategory definitions were not discreet in identifying packaging and non-packaging items to arrive at disposal tonnage estimates. Using plastic as an example, the Department used catch-all subcategories for plastic packaging that included house siding, window sashes, fan blades, auto parts, formica, linoleum, and other products. These subcategories represent almost half of the Department's estimate of disposed plastic packaging. Auto parts and other items mentioned are not packaging and including these items as "packaging" distorts the numbers in CalRecycle's report.

Arbitrary recycling targets focus too narrowly on recycling rates and unintentionally incent heavier, bulkier packaging resulting in more greenhouse gas emissions. Light weighting reduces the material in the package itself, but sends less material to a Materials Recovery Facility (MRF). The criteria developed by CalRecycle would result in those same unintended consequences.

Build on California's Strong Waste Management System with a Focus on Higher Quality Material and Increasing Collection and Recovery

California has a strong and effective solid waste management system. More can certainly be done to improve that system and a focus on increasing collection and recovery is critical to effectively and efficiently recover more high value material. Industry has led the way from an innovation standpoint, as identified earlier, by financially contributing to funding mechanisms, directly investing in innovative recovery technologies, and identifying and promoting best practices. Opportunities in California include:

- Increase access to collection, including more consumer-friendly tools such as rolling carts, improving public access to recycling programs and other best practices.

- Increase consumer participation, including: using municipal levers such as mandatory recycling and funding for recycling education in schools and communities.
- Improve material separation with consumers and at the processing level, for example with a demonstration project in a California MRF with successful flexible film recovery processes. Strengthen end markets through better data collection, government and/or public infrastructure use of recycled content from flexible packaging such as highway barriers, piping and other proven innovative recovered materials.

Extended Producer Responsibility is an Ineffective Policy Solution for CPG Packaging

According to the United States Environmental Protection Agency, “product stewardship” is a product-centered approach to environmental protection. Also known as extended product responsibility (EPR), product stewardship calls on those in the product life-cycle - manufacturers, retailers, users, and disposers – to *share responsibility* for reducing the environmental impacts of products. However, *real change cannot always be achieved by producers acting alone*: retailers, consumers, and the existing waste management infrastructure need to help provide the most workable and cost-effective solutions. Solutions and roles will vary from one product system to another.

The U.S. E.P.A. appropriately recognizes the interdependence of retailers, consumers, manufacturers, and local governments in a successful product stewardship program. However, many EPR proponents inappropriately attempt to modify this essential interdependence by redefining EPR to be a government prescribed compliance program with the cost of the collection and recycling of products being borne completely by the manufacturer, with fees paid to the state agency to administer and manage the program. This mischaracterization, which is clearly embodied in CalRecycle’s packaging criteria, is both disingenuous and overly simplistic. A study by the firm SAIC found that EPR for packaging does not cause changes in packaging design, is not necessary to achieve high recycling rates, and is inefficient and only increases costs.

Comments on Existing Criteria

CalRecycle’s Draft Criteria include eight focus areas:

1. Prevalence in the waste stream
2. Increasing or steady usage trend
3. Current collection infrastructure
4. Current processing infrastructure
5. Contamination of material
6. Reusability and recyclability
7. Greenhouse gas impacts
8. Waterways and marine debris

Specifically, industry would like to highlight issues with the criteria as currently drafted and suggest more effective focus areas.

1 and 2: Organic material is the single largest category of material in the California waste stream. Consumer products packaging is a relatively small area of opportunity and much of it is already commonly recyclable. Further, consumer products packaging has declined in the U.S., even with the rise of on-line purchasing and distribution.

3 and 4: There are many ways to further improve the state's collection and processing infrastructure using existing funding and free market levers, as identified above. Policy models such as extended producer responsibility are not only unnecessary for materials with existing recycling systems, such as consumer packaging, but also would create a new taxing power and a new bureaucracy to manage the oversight of manufacturers, distributors and retailers.

6 and 7: Consumer products packaging is highly recyclable and includes recycled content. Industry is developing and using new materials that result in lower greenhouse gas emissions, but that may not yet be commonly recyclable. Rather than discouraging the use of these new materials through arbitrary recycling targets, effort should be focused on the development of new recovery technologies, such as plastics-to fuel. Innovation should be encouraged to further design packaging with this life cycle analysis in mind.

8: Marine debris should not be considered. Debris in water is a litter challenge, not a material selection issue. While decreasing waterway and marine debris is important, it is not directly related to California's statewide waste reduction policy goals. Reducing litter and marine debris does not equate to increased recovery and may distract from the specific task at hand.

Two additional criteria should be considered by the agency, the critical role of packaging to protect the product and a longer-term vision for incenting and growing markets for new materials and new recovery technology. Packaging is necessary for consumer protection and meeting consumer expectations – as well as playing a critically important role in waste reduction by minimizing product waste. The consumer packaged goods industry has a commitment and responsibility to deliver safe and effective products to consumers. The primary function of packaging is to protect the integrity of our food and consumer goods products through damage prevention and maintaining the highest standards for freshness and food safety. Further, producing, transporting, and selling food, beverage, and consumer products requires natural resource inputs, such as water, fuel, and food ingredients. If packaging fails and the product is lost to damage, all of the resources that went into making that product are wasted.

To meet that goal, materials are being invented that reduce overall inputs and greenhouse gas emissions, and that innovation should be encouraged. Further, the supply chain recognizes the need for new technologies to recover these new materials and is responding with new businesses and solutions. California is a major player in the U.S. and global economy. The state should create a market environment where technological and business innovations can thrive.

In conclusion, the CPG industry and our supply chain partners will continue our sustainability efforts and we should avoid layering costly new programs over the top of the existing system. Such policies will simply divert private funds into meeting complex new regulatory requirements. California has a large cadre of public and private experts in waste collection, processing, recycling, and disposing of waste materials and each will continue to have individual roles and, along with the consumer that is at the very heart of the cycle, individual responsibilities in meeting our sustainability goals. For these reasons, we respectfully submit these comments to CalRecycle and encourage consideration of a holistic approach to sustainable waste management.

Sincerely,

A handwritten signature in black ink, appearing to read "John Hewitt". The signature is fluid and cursive, with a large initial "J" and "H".

John Hewitt
Senior Director, State Affairs
Grocery Manufacturers Association